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Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
 Washington D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION  
 OFFICE OF THE SECRETARY

In the Matter of	)	
	)	
Federal-State Joint Board on	)	CC Docket No. 96-45
Universal Service	)	
	)	
Forward-Looking Mechanism for	)	CC Docket No. 97-160
High Support for Non-Rural	)	
LECs	)	
	)	

To: The Common Carrier Bureau

**PETITION FOR RECONSIDERATION  
 OF ATU TELECOMMUNICATIONS**

Pursuant to Section 1.106 of the Commission's Rules, 47 C.F.R.

Section 1.106, the Municipality of Anchorage d/b/a Anchorage Telephone Utility a/k/a ATU Telecommunications ("ATU") urges the Commission to reconsider its decision to require only incumbent local exchange carriers ("ILECs") to comply with its Data Request Order released on August 7, 1998, in the above captioned proceeding.<sup>1</sup> In the Data Request Order, the Commission found that "[t]he requested information is necessary to enable the Commission to set, on a timely basis, accurate revenue benchmarks used under the *Universal Service Order* to determine the level of high cost support."<sup>2</sup> The Commission further concluded that "specific information from non-rural local exchange carriers and holding companies is necessary to allow the Commission to calculate accurately the

<sup>1</sup> Federal-State Joint Board on Universal Service (CC Docket No. 96-45), *Order*, DA98-1576 (released August 7, 1998) ("*Data Request Order*").

<sup>2</sup> *Data Request Order*, para. 1.

revenue benchmark that may be used to determine the level of federal high cost support.”<sup>3</sup> ATU is the only non-rural incumbent local exchange carrier (“ILEC”) in Alaska serving the only urban market. In addition, ATU currently faces intense, facilities-based competition in its local exchange market and has lost over 20% of its market share to competitors.

In order for the Commission to “calculate accurately the revenue benchmark” and obtain a complete picture of the benefits of competition in urban markets, it should get an accurate picture of the impact that competition has on those markets. Regulatory policy regarding universal service issues and subsidies between residential and business customers are still prevalent in ILECs’ rate structures. For that reason, ATU does not believe the present data request participants represents a broad enough base in the urban markets to assess the effects of competition in those markets. Therefore, ATU respectfully requests that the Commission expand its list of sixteen complying companies to include CLECs that are competing in the same urban markets. CLECs have unlimited pricing flexibility, represent a share of the market, and are helping to reduce prices in urban markets. These considerations should be included in a national revenue benchmark analysis.

The Commission has estimated “that each response to this collection of information will take, on average, 250 hours.” According to this estimate, the data request will consume over six weeks of one employee, working full time, to complete the request. ATU’s regulatory and financial

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<sup>3</sup> *Data Request Order*, para. 4.

resources are seriously limited and the burden this data request imposes is a serious concern. Without also mandating competing carriers to provide the same information, this additional burden unfairly discriminates against incumbent carriers and is anti-competitive.

Finally, although competitively sensitive information can be filed under confidential seal pursuant to Section 0.459 of the Commission's rules, it may not deter competitors from trying to obtain access to the information pursuant to the Freedom of Information Act ("FOIA"). Although ATU successfully challenged a prior FOIA request seeking proprietary information it submitted in response to a previous universal service data request,<sup>4</sup> ATU exhausted regulatory and legal resources to defend against a disingenuous claim from its competitor. As long as disparate treatment exists among ILECs and CLECs in a highly competitive market, CLECs are motivated to use the Commission's regulatory processes for competitive gain.

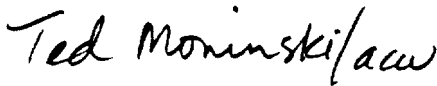
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<sup>4</sup> General Communication, Inc. ("GCI") sought access to certain information submitted by Anchorage Telephone Utility ("ATU") on August 15 1997, in connection with the Commission's Universal Service proceeding CC Docket No. 96-45, *Report and Order*, FCC 97-157 released May 8, 1997.

ATU respectfully requests that the Commission add competitive local exchange carriers<sup>5</sup> to the list of participating carriers to get a complete picture of the benefits of competition in urban markets, to treat competing carriers and incumbent carriers on a nondiscriminatory basis, and to discourage disingenuous claims from competitors to exploit the regulatory process to gain a competitive advantage.

Respectfully submitted,

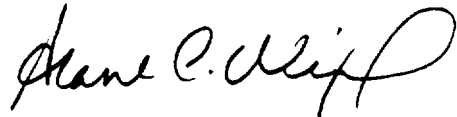
ATU TELECOMMUNICATIONS



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August 25, 1998

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<sup>5</sup> General Communication, Inc. and AT&T Alascom are the certificated competitive local exchange carriers serving the Anchorage market.